



March 14, 2014

RE: Supporting SB 454 "An Act Increasing the Transparency of General Bids for State Contracts"

Please accept my comments for the record regarding the subject Raised Bill SB 454. Berlin Steel Construction Company has been a Connecticut based construction company for 114 years and has performed thousands of construction projects in our state and in many other states over these years. We are a subcontractor to CMs for structural steel and miscellaneous metals.

I support SB 454 for a variety of reasons as follows:

- The Connecticut public deserves the best value for their construction projects of public assembly buildings, facilities, schools, etc.
 - The current system encourages only low price and some Construction Managers and General Contractors (herein after referred to as CM) go to extreme measures to drive price lower, often by selecting a subcontractor who was not involved in the bid process, but are likely "steered" to provide a lower price later, as they are provided with all the knowledge gained from those subs who did provide responsive bids. Lower price usually leads to lower quality, latent defects spawned from shortcuts, and future problems for the tax payers to remedy.
 - CMs who must name their subs at bid time will deliver best value to the public. This named team would be chosen from the pool of responsive bidders and the CM would be afforded the opportunity to properly vet the subs that entered the process with "eyes wide open".
 - A system that encourages fairness will draw out the best subcontractors, many of whom presently refrain from bidding due to the post-award maneuvering.
- The public will be benefitted by receiving the best price for a given project. The present system provides no incentive for a subcontractor who is bidding to a CM to provide their best price prior to the bid date. Knowing that there will be further negotiations and possible "shopping" of prices after the award, the CM is very likely receiving inflated pricing. The successful CM will then go "shopping" for the best prices, and often will negotiate a price with an unsuspecting subcontractor who will agree to a low price which provides a big windfall for the CM when compared to the price he carried into the bid.
- The public, including Connecticut based subcontractors, are entitled to fairness and transparency. The present system encourages negative creativity that runs too close to, or outside the boundaries of acceptable ethics. I believe that SB 454 would be the start of a transparent system and would provide for wholesome competition, best value, best quality, and reduce the in-fighting and legal battles that ensue when lack of clarity and alleged deceit arise from the loose procedures of the present.

David Hunt

President

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